

Subcommittee on the U.S. Workforce

Focus: Workforce Retraining

Subcommittee Report

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Background:

In our September 21, 2004 report to this council, we reported that there were several workforce issues facing manufacturing companies in America that rose to the level of critical:

- Primary Education
- Re-education and training
- Economic Diversity
- Cost of Healthcare

In this previous report we provided a pathway for lowering healthcare costs. In this report we will provide a framework for how American manufacturers can address the issue of re-education and training.

At our meeting in Dearborn, Michigan in February 2005, Assistant Secretary of Labor, Emily DeRocco was an invited guest. She encouraged participation by council members, and especially this subcommittee to develop a dialogue about how best to utilize the \$15 billion spent each year by the federal government for employment and job training activities in accordance with the Workforce Investment Act. In preliminary meetings between the staff of the DOL and this committee we have identified 6 areas of interest for the council to discuss and pursue.

Areas for discussion and possible action by the Council:

1. DOL is working to make the \$15 billion Workforce Investment System more “demand-driven,” meaning more responsive to the needs of industry. Workforce Investment Boards (WIBs) around the country need manufacturers in their membership and manufacturers need to inform the Boards of their workforce challenges. The WIBs and state workforce agencies are now in the midst of their annual planning process, which presents an opportunity for our input. Too often, available training resources go unused because state and local workforce agencies do not know how to make use of them, either because of regulatory constraints or because of too few innovative ideas for the funding. It is important for manufacturers to organize with training providers to propose local solutions for their needs and to maximize the flexibility of those local workforce investment resources.
2. The High Growth Job Training Initiative (HGJTI) is a Presidential initiative implemented by the DOL. It is aimed at growing industries, including advanced manufacturing occupations. DOL is considering future funding rounds of the HGJTI, and has invited us to help shape this Initiative for the benefit of the manufacturing community.
3. The Community Based Job Training Initiative is aimed at community colleges. There will be two rounds of \$125 million grants; one currently available and another later this year. Again, manufacturers can work regionally to define the parameters for re-training that the community college system does so well.

4. The DOC manufacturing council is being invited by Assistant Secretary Emily DeRocco to play an active role in defining our needs for more effective grant making for manufacturing. In addition they are being very supportive of a study to be conducted in cooperation with foundations to determine the very best method for doing that.
5. The annual Workforce Innovations Conference is being held in Philadelphia, July 11-13 this year. There is an Advanced Manufacturing Track to the conference and they have invited Secretary Gutierrez, Assistant Secretary Frink and NAM president Governor Engler to speak. There is a plenary session planned for manufacturing and DOL is receptive to our council meeting there to bring special emphasis to the job training issue.
6. Congress is working on reauthorization of the Workforce Investment Act at this time. The House has passed its version and the Senate is in deliberations right now. Last Congress, the House and Senate each passed separate reauthorization bills, but the bill never went to conference.

Recommendations:

1. This subcommittee recommends that we be charged with
 - a. Developing a comprehensive plan for assuring that the manufacturing sector's re-training needs are met by the Department of Labor and through the Workforce Investment Act;
 - b. Working with appropriate designated staff of the DOC to accomplish this purpose;
 - c. Developing a report to the manufacturing sector about the results of our findings;
 - d. Disseminating this report to the manufacturing sector in a way that is easy for all to access and participate;
 - e. Developing a longer range report on the most effective methodology for the re-training needs of manufacturers. It is recommended that this report be regionally specific with at least one area used as a demonstration.
2. That the Manufacturing Council hold its next meeting on July 12 in Philadelphia with the major purpose of evaluating this report and working with DOL leadership to rapidly implement its provisions.